

REMITTANCES TO ENGLAND, IRELAND, SCOTLAND AND WALES.

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THE TRUE WITNESS AND CATHOLIC CHRONICLE.

MONTREAL, FRIDAY, APRIL 29, 1853.

NEWS OF THE WEEK.

Since the reassembling of Parliament the debates have been of little general interest. The new Budget was anxiously expected, and will probably give rise to a very animated contest; but it is generally felt that the India question will be the great question of the present session. During the recess Ministers went about, as usual, eating and drinking, and making semi-official declarations of their future policy; none the less trustworthy, because delivered under the influence of a good glass of wine. Sir W. Molesworth, at a public dinner given by the electors of Southwark, laid before his hearers a programme of the colonial policy of his colleagues, and insisted especially upon the necessity of an early and definitive settlement of the Canada "Clergy Reserves" question. "It was the first duty," he observed, "of the present government to apply to Canada the great, true, and all-important rule of Colonial policy—namely, that all questions which affect exclusively the local interests of a colony possessing representative institutions, should be dealt with by the Local Legislature. That rule should form the basis of our system of Colonial Government." The *Times* has brought to light some very ugly stories respecting the distribution of patronage in the naval arsenals, by the late Derby administration. It shows how, for electioneering purposes, the late Admiralty Board set aside the instructions contained in a circular, dated February 27, 1847, and employed the patronage at its disposal as a means for corrupting the "free and independent" constituencies. One case, which it particularises, and which will probably become the subject of future Parliamentary investigation, is very glaring. In September of last year, at the recommendation of Sir B. W. Walker, Surveyor of the Navy, a Mr. Wells was promoted to the situation of master smith of Portsmouth Dockyard. On the 1st of October, without any cause assigned, or complaint having been made against him, Mr. Wells was summarily dismissed; to make way for a Mr. Costell, an elector of Chatham, and who, by his promotion to the Portsmouth Yard, made a vacancy for another Chatham elector in the Woolwich Dockyard. Mr. Wells memorialised in vain; and to no purpose did the Surveyor of the Navy remonstrate. The Secretary of the Admiralty even condescended to falsehood, and denied that Wells had received any appointment from the Commissioners of the Admiralty; "although," says the *Times*, "on the 1st of October they had cancelled the very order, the existence of which they deny." On the committee to try the validity of Sir Frederick Smith's election, it turned out, that this very man Costell, who displaced Mr. Wells at Portsmouth, was promoted as a reward for his criminal complaisance to the Derby candidate; it was in fact, the price for which he sold his vote. This affair, coming close upon that of Major Beresford, and the revelations of the secrets of the little back room down stairs in the Carlton Club, has much damaged the late Derby administration in public estimation.

It appears that the address lately presented by the merchants of London to the Emperor of the French, was nothing but a dirty commercial dodge—something in the King Hudson line—got up with the intention of enhancing the value of shares in a French Railway speculation. Many of the signers regret having lent the sanction of their names to such a document, and indignantly denounce the artifice by which those signatures were procured. They regret that the address was intended for publication in the English journals; but the mission to Paris, and the solemn presentation at the foot of the French throne, were never so much as alluded to. One of these "victims of gammon," as Sam Weller would call them, writes to the *Times* a full account of the motives by which the principals in this discreditable affair were actuated. From this it seems that Messrs. Masterman, Powles, and Gladstone, are Directors of a projected French railway, called the "South Eastern of France." For this line the above-mentioned gentlemen have lately got, or soon expect to get, a concession from His Imperial Majesty; they were therefore anxious that the shares should command a good premium. To effect this was the object of the address which they got up, and caused to be hawked about from house to house, with a variety of false pretences, in order to obtain signatures thereunto. Of the signers, few, if any, were aware that a deputation of nine gentlemen, lovers of concord, but still more lovers of a "good premium," intended in humble guise, to lay it at the feet of Louis Napoleon, as the address of the English people; the subscribers are therefore very indignant at the "smart" trick that has been played upon them, and have exposed the humbug in the columns of the *Times*.

Though the difficulties of the Eastern question have been, for the moment, surmounted, the danger of war is by no means past. Fresh troubles are brewing in the South of Europe betwixt Austria, and Sardinia, and Switzerland,—troubles of which the other great powers cannot long remain indifferent spectators.—The Sardinian government demands from Austria

compensation for the property of its subjects, confiscated in virtue of a recent decree issued by the latter, against refugees. To these demands of the Sardinian government, Austria replies by counter-complaints of harbor and countenance, given to political refugees, and the agents of Mazzini. In consequence of this refusal, Sardinia appeals to the treaties of 1815, and claims the assistance of the other great contracting parties. It is to these threatened troubles, and to the suspicious attitude of the French government, that is attributed the refusal of the Sovereign Pontiff to visit Paris, in order to assist at the coronation of the Emperor. The lately detected conspiracy at Berlin, seems now to have been far more serious, and wide-spread, than at first was imagined. "It is firmly believed," says the correspondent of the *Times*, "that it is part and parcel of the great combination which was rendered abortive by the outbreak at Milan." The revolutionary plans of Kossuth and Mazzini seem to have been laid with consummate skill, and to have comprehended a universal and simultaneous rising all over Europe. Dependent however for success upon simultaneousness of action, this Milan affair has deranged all their schemes, and the discovery of the Berlin plot will suffice to put all the European governments on their guard.

The Legislature of Massachusetts has finally refused to indemnify the sufferers for the loss sustained by the destruction of the Ursuline Convent at Charlestown several years ago. This convent was, it may be remembered, destroyed, and its inmates grossly abused, by a Protestant mob; and from that day to this, the Legislature of Massachusetts has formally sanctioned the acts of the rabble, by refusing any indemnity to the sufferers. From time to time, with the ordinary Puritan duplicity, more odious, if possible, than the brutality of the Protestant *canaille*, motions for indemnifying the sufferers have been introduced into the Legislature of Massachusetts, but have as constantly been defeated. This last failure is but another proof, that Catholics may look in vain for honor or justice from the hands of Puritans, or the descendants of Puritans.

The *Humboldt* brings London dates to the 13th inst. The third reading of the Canada Clergy Reserves Bill was carried on the 11th inst., by a majority of 80. The intrigues of Russia in the East still excite considerable apprehension.

THE MONTREAL PROVIDENT AND SAVINGS' BANK.

(Continued from our last.)

Negligence, and violation of their own rules and regulations, are not the only faults with which the Directors of the Montreal Provident and Savings' Bank are chargeable. We enumerated amongst the causes that led to the disastrous suspension of its payments, "the reckless dishonesty of its Directors, who made use of the funds for their own private ends, employing them for the advancement of their friends and families, and the furtherance of their own peculiar objects."

We might rest this part of our case upon the fact proved upon oath, that for years the Directors were in the habit of making up false annual statements of the affairs of the Bank—"FORGING A BALANCE"—in the words of Mr. C. Freeland. A tradesman guilty of such conduct, and whose books should be kept in the manner that the books of the Bank were kept, would be at once condemned as a fraudulent bankrupt. But the Report contains charges against several of the Directors—(for all are not implicated)—of a far more serious nature. They not only mismanaged, but they appropriated the funds of the poor man entrusted to their care, to their own private uses. At p. 40, we find the following singular exposure of the manner in which the funds of the Savings' Bank were invested:—

A Director holds stock in the "St. Lawrence and Atlantic Railroad Company,"—a Company which, in the words of the Report, "was in anything rather than a prosperous condition"—p. 42. Dissatisfied with his bargain, the said Director palms it off upon the Bank, without any authority from the Board of Directors, and without any consultation with any of the brokers, or any other persons, as to the value of the stock in the market at the time. The result of this transaction was, in the words of the Report, that "THE WHOLE SUM HAS, SINCE THE SUSPENSION OF THE BANK, BEEN WRITTEN OFF AS A TOTAL LOSS."—p. 42.

The following is an abstract of the evidence given at p. 40-42.

Mr. Eadie says, in reply to the question:—
"As a purchase of St. Lawrence and Atlantic Railroad Stock made from the Hon. James Ferrier in April, 1847?"

A. "There was a purchase of twenty shares made from the Hon. James Ferrier in 1847."

Q. "By whose authority was the purchase of this stock made?"

A. "There was no authority given for the purchase by the Directors. Mr. Lunn allowed himself to be forced into it by Mr. Ferrier."

Q. "Was the stock sold at the fair current market value at the time of the sale?"

A. "I believe the market value could not be ascertained at that time. Mr. Lunn himself thought it was high."

Mr. Lunn being examined admits, in answer to an interrogatory, that, upon the occasion of this purchase into which he was forced by his brother Director, "something unpleasant passed between us; but I cannot now recollect what it was." The examination of Mr. Lunn elicited the following facts:—

Q. "Did you, on the first occasion at which Mr. Ferrier offered this Railroad stock, refuse to buy it?"

A. "I did decline the purchase."

Q. "Are you aware what was the value of the Portland Railroad stock in the market at the time you made the purchase?"

A. "I was not aware."

Q. "Did you consult any of the brokers, or any other persons, as to the value of the stock in the market at the time you made the purchase?"

A. "I did not."

Q. "Has the purchase of this Railroad stock entailed a heavy loss on the Bank?"

A. "It has resulted in a loss, but I do not know the amount."

Comment upon the above transaction is quite unnecessary. We will turn to another, in which the same gentleman again figures. It seems that he had a debtor, who owed him a sum of money. As Director of the Savings' Bank, but without bringing the matter before the Board, he authorised a loan of £100 to his debtor, receiving as a reward for his complaisance one-half, or £50, of the loan. We give again some extracts from the evidence upon this—"new way of paying old debts."

Mr. A. Perry, Mr. Ferrier's debtor, had previously received from the Bank a loan of £200, upon security which Mr. Eadie, the witness, considered very insufficient, and subject to "some radical defect, which made it unavailable for the purpose of liquidating the debt." This first loan was made in Oct. 1844; in November 1845, Mr. Perry was accommodated with a second loan of £100. On his examination, Mr. Eadie says, in answer to the question—"Did A. Perry receive further sums of money from the Savings' Bank, subsequently to the loan in Oct. 1844?"

"He did,—viz., on the 28th November 1845, as appears by the following entry in the cash book:—By Arthur Perry, Montreal, paid him on account of loan, as arranged with Mr. Ferrier, and Mr. Murray."

Q. "Was this loan of £100 sanctioned by the Bank?"

A. "I have no recollection of its being so, and there is no record of it in the minutes."

Q. "What security did Mr. Perry give for this loan of £100?"

A. "I cannot say positively, but my impression is that he gave no security. I have no recollection of his giving even a note for that amount; but there may be some security which I do not recollect."

Q. "Can you recollect any conversation between yourself and Mr. Ferrier, or Mr. Murray, on the subject of the loan of £100 to A. Perry?"

A. "I recollect distinctly that Mr. Ferrier mentioned to me, at the time I paid him the £50, that A. Perry owed him that sum for rent of premises belonging to Mr. Ferrier, occupied by Perry."

Q. "Was the loan to A. Perry a matter of special favor, or of ordinary business?"

A. "My impression always has been that it was more of a special favor than of ordinary business."—p. 69.

Mr. Director Ferrier in answer to the question—"Did you yourself receive a portion of this loan of £100 to A. Perry?" answers—

"Yes. I received £50 as it stands recorded in the books of the Savings' Bank. Arthur Perry was indebted to me for that sum."—p. 70.

Mr. Director Murray being asked if he knows anything about this loan which "resulted in a total loss to the Bank?" says—"I am not aware whether it was formally brought before the Board of Directors or not."—p. 70.

"Elect vessels," as we all know, have their special privileges, and the conduct of saints must not be too rudely criticised by ordinary mortals. To be "twistical man-wards" is very often the lot of "professors" who are quite "upright God-wards"; and our interesting friends seem to be no exception to the rule.—Not that we would insinuate anything against a "vessel," and such a "vessel," whose zeal for the conversion of the poor Papists, and horror at the dangers of Romanism, are so well attested at the annual meetings of the F. C. M. Society—Bible Society—and Tract Distribution Society. No doubt the "vessel" had "freedom" in all he did; and our only object in these remarks is, to call attention to the blessed privileges of the saints. Truly they inherit the earth, and the fatness thereof; that is, if they are of the right Methodistical breed.

Our readers may now form some slight idea of the manner in which the Directors played "ducks and drakes" with the funds of the Bank. They helped themselves to these funds, the savings of the poor depositors, and generously distributed them amongst their friends, and relatives. At p. 259-260, for instance, we see how convenient it was to be the son of a Director. John Matthewson was a Director of the Bank, and was present in Feb., 1843, when it was unanimously resolved that no bills or notes should be discounted without ample security. As interpreted by themselves, this Resolution seems not to have been considered as intended to restrict the privileges of the Directors; for in his evidence it comes out that Mr. Director Matthewson used to loan to his "son John" of the firm of "Matthewson & Sinclair" (the funds of the depositors, without so much as going through any of those tedious formalities, which less complaisant Directors of monetary institutions exact. He scorned such illiberality when his "son John" was concerned, and required no security beyond his own *bons*, or promissory notes. Nay, so pleasantly did he view these transactions that, by his own testimony—p. 259—he was "not aware that any of the other Directors knew of the loan, but himself." So hundreds, and hundreds of pounds—the deposits of the poor man—were loaned to "my son John," and were repaid—how?—the reader will naturally ask—Entirely in deposit books, bought up after the suspension of payments, from the unfortunate depositors. But this brings us to our second proposition:—

"That the losses were greatly aggravated by the gross partiality of the Trustees, to whom was entrusted the charge of winding up the affairs of the said Bank; and by the refusal of the Directors to repay the sums which they had abstracted from its coffers."

At the date when the Savings' Bank stopped payment, a considerable proportion—about one-third—of the amounts due to the Bank, were owing, either as principals, or as securities, by the Directors themselves. Their duty was clear: to repay these sums,

in good hard cash; and thus, in some measure, make amends to the depositors for the injury inflicted by their incapacity, negligence, and knavery. Instead of compelling them to do this, the only objects of the Trustees seem to have been, to preserve the Directors from loss, and to screen them from the consequences of their previous misconduct. With these objects in view, the wealthy debtors to the Bank, *being* Directors, were allowed to repay the sums, which they had abstracted from its coffers—and which they, above all men, should have been compelled to repay in cash—in the depreciated account books of the poor depositors. The transaction is easily explained. A wealthy Director, one perhaps who, upon his mere *bons*, had loaned some large sums to his needy relatives, is called upon to refund. Instead of paying his debts, he employs brokers to go out amongst the poor depositors—thunderstruck, and disheartened at the catastrophe—and buy up their claims for from 10s to 12s 6d, in the pound. With these books our honest Director goes to the Bank, and paying them in at 18s in the pound, discharges his liabilities, very satisfactorily to himself no doubt, but at a ruinous sacrifice to the depositors—the industrious tradesman, and hard working mechanic—whom he had helped to defraud. Mr. Redpath, himself one of the Trustees, and who sanctioned this nefarious transaction, thus describes its effects, upon the debtors to, and creditors of, the Bank; the former being, for the most part, be it remembered, the Directors of the Bank. In answer to the question—"Did not debtors to the Bank by these purchases of books, realize a profit of fifty to sixty per cent. on the amount of their purchases?" Mr. Redpath answers:—

"They did—in some cases I should rather say they were saved from so much loss—it enabled them to pay eighteen shillings, with eleven and three-pence to twelve shillings."—p. 81.

The profit to the indebted Directors is pretty evident. The result to the depositors is thus described. Mr. Redpath being asked the question—"From whom were these profits derived?" makes answer:—

"They were derived, no doubt, from those who sold the books."—*Ibid*.

Mr. Director Lunn's testimony is to the same effect. In reply to the question—"Is the effect of the sale of bank books to benefit the debtors of the Bank, at the expense of the creditors, who sell their books?"—the witness replies:—

A. "That has been the result."

That is, having by their knavery caused the stoppage of the Bank, and the consequent depreciation of the depositors' books, the Directors profited by their own villainy to the tune of some "fifty or sixty per cent.;" whilst the unfortunate depositors were swindled out of their money, in the same proportion. It was by means of these transactions that the Directors—with the exception of Mr. Redpath—discharged their liabilities to the Savings' Bank. To make use of a favorite formula of the Report, comment upon it is quite unnecessary. "The parties," says our authority:—

"Who profited by this arrangement in favor of some of the debtors at the expense of the creditors, were, several of them, Directors of the Bank; and nearly all of them in affluent circumstances. For four Directors alone, it is admitted, that purchases were made to the extent of nearly five thousand pounds, and the profit these gentlemen derived thereby cannot have been less than from twelve to fifteen hundred pounds."—pp. 108-109.

But whilst thus indulgent to the wealthy Directors, the Trustees rigorously compelled the smaller fry of debtors to pay their debts in good hard cash, of which evidence sufficient may be found in the pages of the Report. For instance, when a debtor, *not being a Director, or a personal friend of a Director*, of the Bank, endeavors to discharge his liabilities by handing in account books, at 18s in the pound, the Trustees get quite virtuous; and we find Mr. Redpath—his eyes suddenly opened to the impropriety of the proceeding—writing in the following strain—p. 291:—

"Montreal, 22nd Jan., 1850.
"Sir—In reply to your communication of the 21st, I beg leave to inform you that the Trustees of the Montreal Provident and Savings Bank do not feel warranted in taking payment in other than the same kind of currency with which they paid you, or deposits, at their present market value, whatever that may be.—I am, Sir, your most obedient servant,
"J. REDPATH."

We trust that we have made good our second proposition—that the losses to the depositors were aggravated, by the partiality of the Trustees, and the refusal of the Directors to replace in the coffers of the Bank, the sums which they had been the means of abstracting therefrom. We conclude this part of our subject by the following extract from the Report—p. 110:—

"It is perfectly manifest that the whole of these transactions benefitted a fraction of the creditors at the expense of the remainder, and that the Directors in sanctioning them, did gross injustices to those who were made the victims of the arrangement.

"With this narrative of these transactions in deposit books, we close that portion of our report which refers to the management of the Bank, since its declared inability to meet its engagements. It will be observed that in the epoch subsequent to the suspension of the Bank, as in the epoch before it, we consider the proceedings of the Directors to be liable to the gravest censure. As nearly all the losses prior to the failure are directly traced to the negligence and mismanagement of the Directors; so, the heavy losses on transfers of deposit books, sustained since that time, by many of the creditors of the Bank, are attributable to the Directors also."

Our last proposition is:—

"That the Montreal Provident and Savings' Bank has not paid to its depositors a dividend of eighteen shillings in the pound." The consideration of this we must defer until next week.

(To be continued.)